GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:2234
ANSWERED ON:06.08.2003
EXPENDITURE ON NON-DEVELOPMENTAL PROJECTS
AJAY SINGH CHAUTALA

Will the Minister of PLANNING be pleased to state:

(a) the percentage of amount spent on developmental and non-developmental projects out of the total budget allocation for Ninth Five Year Plan;

(b) the percentage of budget allocation spent on developmental and non-developmental projects at present;

(c) whether the expenditure on non-developmental projects has increased during the last three years;

(d) if so, the reasons therefor; and

(e) the manner in which it is proposed to be reduced?

Answer

MINISTER OF STATE IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION, MINISTER OF STATE MINISTRY OF PLANNING, MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY AND MINISTER OF S THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRI S.B. MOOKHERJEE)

(a) to (e): A Table showing developmental and non-developmental expenditure of the Centre, States and UTs during 1997-98 to 2002-03 is annexed. It shows that the share of developmental expenditure in the total expenditure of Centre, States and UTs was 54% in 1997-98 and came down to 52.2% in 2001-02. There has been a corresponding increase in the share of non-developmental expenditure. The share of developmental and non-developmental expenditure for 2002-03 is estimated to be 50.6% and 49.4% respectively.

Non-developmental expenditure mainly comprises of interest payments, debt servicing, defence expenditure, pension, administrative and miscellaneous services. A major reason for rise in the share of non-developmental expenditure in the recent years has been the steep increase in interest liabilities especially in the States and considerable step up in salary and pension burden consequent to the implementation of the recommendations of the Fifth Pay Commission.

The Planning Commission has been expressing its concern on the high proportion ofnon-developmental expenditure. The Tenth Plan document contains a list of measures that need to be taken to reduce non-developmental expenditure. These include, reducing budget based subsidies by raising user charges, cutting administrative and establishment costs and improving internal resources of Central and State Public Sector undertakings. The Tenth Plandocument also highlights the need to take measures to reduce the burden of interest payments.

Annexure as referred to in reply to parts (a) to (e) of the Lok Sabha Unstarred QuestionNo.2234 dated 6.8.2003 regarding Expenditure on Non-developmental Projects by Shri Ajay Singh Chautala

Developmental and Non Developmental Expenditure of Centre, States and UTs

(Rs. Crore)

Year	Developmental	Non-Developmental	Total
1997-98	228119	194631	422750
1998-99	258993	245336	504329
99-2000	291435	280816	572251
2000-01	331959	312275	644234
2001-02	342127	313724	655851
2002-03	369266	360549	729815

Percentage Share in Total Expenditure

1997-98	54.0	46.0	100
1998-99	51.4	48.6	100
99-2000	50.9	49.1	100
2000-01	51.5	48.5	100
2001-02	52.2	47.8	100
2002-03	50.6	49.4	100

Source Economic Survey 2002-03